

THE OFFICE OF REGULATORY STAFF

DIRECT TESTIMONY

OF

JAMES M. McDANIEL

NOVEMBER 19, 2009



DOCKET NO. 2009-276-C

**Application of Budget Prepay, Inc. d/b/a Budget
Phone for Designation as an Eligible
Telecommunications Carrier**

1 A. I have over 30 years experience in the regulation of the
2 telecommunications industry in South Carolina.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
4 **PROCEEDING?**

5 A. The purpose of my testimony is to set forth ORS staff findings relative to
6 its review Budget Prepay, Inc.'s ("Budget" or "Company") application for
7 Eligible Telecommunications Carrier ("ETC") designation within the State of
8 South Carolina.

9 **Q. ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS**
10 **TESTIMONY?**

11 A. Yes, my testimony provides ORS's findings and recommendations.

12 **Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR**
13 **TESTIMONY.**

14 A. I compared the information provided by Budget's application and direct
15 testimony with the requirements contained in the Commission's regulations 103-
16 690, which set out the requirements for ETC designation. These Commission
17 regulations became effective on May 23, 2008. Additionally, I reviewed the
18 filings and records maintained in the offices of ORS.

19 **Q. PLEASE PROVIDE AN OVERVIEW OF YOUR REVIEW OF THE**
20 **APPLICATION OF BUDGET FOR ETC DESIGNATION.**

21 A. The application of Budget was filed with the Commission on July 8, 2009.
22 ORS's review of this application identified that Budget is seeking ETC

1 designation in South Carolina in the areas served by BellSouth
2 Telecommunications, Inc. d/b/a AT&T South Carolina, which is classified as a
3 non-rural carrier. Budget is currently providing services through a combination of
4 resold services and leased UNEs. Also, Budget is currently offering Lifeline
5 credits to eligible South Carolina consumers through its resale agreement with
6 BellSouth Telecommunications. Additionally, Budget is seeking ETC solely for
7 the purpose of obtaining direct Federal Universal Service low income support so
8 that it can provide Lifeline and Link Up credits to all its eligible consumers in
9 South Carolina.

10 **Q. IS BUDGET REQUESTING ETC DESIGNATION FOR THE PURPOSE**
11 **OF RECEIVING FEDERAL HIGH COST UNIVERSAL SERVICE FUND**
12 **SUPPORT?**

13 A. No. According to its application, Budget is not seeking high cost support
14 from the federal universal service fund.

15 **Q. DOES THE APPLICATION FILED BY BUDGET COMPLY WITH THE**
16 **COMMISSION REGULATIONS FOR ETC DESIGNATION?**

17 A. Yes. ORS conducted a thorough review of Budget's ETC application and
18 the Commission requirements outlined in S.C. Code of Regulations 103-690
19 which govern the designation of ETCs.

20 **Q. HAS BUDGET DEMONSTRATED ITS INTENT TO COMPLY WITH**
21 **THE COMMISSION REGULATORY REQUIREMENTS?**

1 A. Yes. A review of ORS records reflects that Budget is in compliance
2 with Commission regulations and filing requirements.

3 **Q. DOES ORS RECOMMEND APPROVAL OF BUDGET PREPAY'S**
4 **APPLICATION FOR ETC DESIGNATION?**

5 A. Yes. ORS supports Budget's request for ETC designation in South
6 Carolina. The approval will expand the availability of Link up and Lifeline
7 programs to eligible consumers. Budget has demonstrated its intent to operate in
8 accordance with the FCC's and the Commission's regulations governing ETCs
9 and other applicable Commission rules and regulation governing telephone
10 utilities operating within South Carolina.

11 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

12 A. Yes.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2009-276-C


IN RE:

Application of Budget PrePay, Incorporated
d/b/a Budget Phone for Designation as an
Eligible Telecommunications Carrier

)
) **CERTIFICATE OF**
) **SERVICE**
)

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **DIRECT TESTIMONY OF JAMES M. MCDANIEL** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

John. J. Pringle, Jr, Esquire
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Chrystal L. Morgan

November 19, 2009
Columbia, South Carolina